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WHEAT

Crop Insurance

(Monetary Coverage)

FEDERAL CROP INSURANCE protects the major part of the wheat grower's investment against loss resulting from the many production hazards that man cannot control.

The premium buys protection, from seeding through harvest, against loss caused by such unavoidable production risks as drought, hail, rust, wind, frost, fire, flood, excessive moisture, insects, and plant diseases.

A Federal Crop Insurance policy *does not* cover losses resulting from avoidable causes such as neglect, poor farming practices, or failure to reseed if it is practical to do so.

It's sound business to protect your investment every year. Crop insurance adds only a small amount to your operating costs. A crop-insurance premium is deductible as an operating expense for income-tax purposes. An assignment can be made against the policy as collateral security for a loan or other obligation.

Complete information and an application for this all-risk protection can be obtained from the county office or an authorized agent.

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION

Strength in Numbers

Federal Crop Insurance is a farmers' program, with each insured producer paying a small amount for protection against unavoidable production risks so that none among them will suffer a disastrous loss. This is a basic principle of insurance. The Federal Crop Insurance Corporation provides the machinery for wheat farmers to put this basic business principle to work for them.

Crop insurance premiums are used only to pay losses to insured producers. Administrative costs are carried by the Federal Government as a service to farmers. Premiums collected in excess of losses paid to wheat producers build a reserve to cover losses when crop failures are widespread. Accumulation of an adequate county reserve will lower the cost of the protection to its producers.

Insurable Acreage

Only wheat on land for which the Federal Crop Insurance Corporation establishes a coverage and rate will be insured. An owner-operator, tenant, or landlord may insure. The policy covers all insurable acreage in the county in which the insured has an interest at seeding time.

The insured acreage may constitute one or more insurance units for loss determination. Generally, each of the following constitute a separate insurance unit: (1) All acreage in which the insured has a 100-percent interest in the crop; or (2) all acreage under one ownership worked by one share tenant.

Coverage Per Acre

Coverage in dollars per acre is established in three progressive stages. The first stage applies to acreage released by the Corporation for plant-

ing to a substitute crop. The second applies to other unharvested acreage, including acreage released for summer fallow. The third applies to harvested acreage.

Determining Losses

A fixed price of \$1.60 per bushel has been established for the 1949 crop year for computing the value of production in determining losses.

An indemnity is due the insured if the total production for an insurance unit valued at \$1.60 per bushel is less than the total dollar coverage. Total production on an insurance unit includes: (1) Wheat harvested, and (2) any production charged against coverage for acreage released or left unharvested, or for losses from causes not insured against.

Production charged against the coverage for acreage released in the first stage is only the amount by which the adjuster's appraisal exceeds the coverage. In the second stage, it is the appraised production less one bushel.

Losses paid to farmers under the program are, of course, the major factor in determining adjustments in premium rates. Consequently, it is in the best interest of the majority of farmers that only sound risks be insured under the program and that loss adjustments be made properly.

Premium Discount

The premium rate per acre is established on a dollar basis. Producers who submit their acreage reports promptly after seeding and pay their premiums before the date specified in the policy are allowed a 5-percent discount on the premium. Since the premium rate is established on a cash basis, a producer's premium can be determined as soon as he reports his acreage.

Cancellation Privilege

The contract is continuous in order to save the Corporation unnecessary expense and for the convenience of the majority of producers who want their investment protected every year. However, it may be canceled by the insured for any year by exercising his cancellation privilege before the deadline date specified in his policy. This cancellation must, of course, be made in writing.

What You Do

File an application before the closing date.

Report the acreage you seed to wheat and your interest in the crop at the time of seeding. Make this report immediately after seeding.

Seed, care for, and harvest the crop in accordance with good farming practices.

Reseed any acreage destroyed while there is still time to reseed. Such acreage will not be insured unless it is reseeded.

Do not put any insured acreage to another use until it has been released in writing by an authorized representative of the Corporation.

Report immediately to the county office any material damage to the crop. Report a loss under the contract immediately. It **MUST** be reported within 15 days after harvest.

Pay your premium promptly. Don't overlook the 5-percent discount that is available.

**DON'T INSURE TO COLLECT
INSURE TO PROTECT**